

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Regulations to Prevent Circumvention of Textiles and Textile Products Agreements

July 27, 1999.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Issuing a directive to the Commissioner of Customs directing Customs to issue regulations regarding the denial of entry of shipments from companies determined to be illegally transshipping.

FOR FURTHER INFORMATION CONTACT: Janet Heinzen, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212.

SUPPLEMENTARY INFORMATION:

Authority: Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended; Executive Order 12475 of May 9, 1984, as amended.

Under Title 19, Section 12.130 of the Code of Federal Regulations, U.S. Customs is required to make a country of origin determination of textiles and textile products. Such determination may be made on the basis of information provided by the importer or, at the discretion of U.S. Customs, on the best information available. In order to develop such information, U.S. Customs often has conducted on-site verification of production in foreign countries.

The Chairman of CITA has authorized U.S. Customs to deny entry of certain textiles and textile products subject to Section 204 of the Agricultural Act of 1956 if U.S. Customs on-site verification of production is not permitted (see **Federal Register** notice 61 FR 33793, published on June 28, 1996). Based on information obtained, including through on-site verifications, U.S. Customs reports that some companies have been found to be illegally transshipping, have been closed, or have been unable to produce records to verify production. In order to secure compliance with U.S. law, including Section 204 and U.S. customs law, to carry out textile and textile product agreements, and to avoid circumvention of textile agreements, CITA directs the Commissioner of Customs as soon as possible to issue regulations permitting U.S. Customs to deny entry to textiles and textile products where the declared manufacturer has been named in a CITA directive as a company found to be

illegally transshipping, closed or unable to produce records to verify production.

In future directives, the Chairman of CITA may direct U.S. Customs to deny entry to textiles and textile products allegedly manufactured in companies found to be illegally transshipping, closed, or unable to produce records to verify production. CITA will publish such directives, including the names of such companies, in the **Federal Register**.

Troy H. Cribb

Chairman, Committee for the implementation of Textile Agreements

Committee for the Implementation of Textile Agreements

July 27, 1999.

Commissioner of Customs
Department of Treasury, Washington, DC 20229

Dear Commissioner: Under Title 19, Section 12.130 of the Code of Federal Regulations, U.S. Customs is required to make a country of origin determination of textiles and textile products. Such determination may be made on the basis of information provided by the importer or, at the discretion of U.S. Customs, on the best information available. In order to develop such information, U.S. Customs has often conducted on-site verification of production in foreign countries.

The Chairman of the Committee for the Implementation of Textile Agreements (CITA) has authorized the Commissioner of Customs to deny entry of certain textiles and textile products subject to Section 204 of the Agricultural Act of 1956 if U.S. Customs on-site verification of production is not permitted (see 61 FR 33793, dated June 24, 1996). Based on information obtained, including through on-site verifications, U.S. Customs reports that some companies have been found to be illegally transshipping, have been closed, or have been unable to produce records to verify production. In order to secure compliance with U.S. law, including Section 204 and U.S. customs law, to carry out textile and textile product agreements, and to avoid circumvention of textile agreements, CITA directs the Commissioner of Customs, as soon as possible, to issue regulations permitting U.S. Customs to deny entry to textiles and textile products where the declared manufacturer has been named in a CITA directive as a company found to be illegally transshipping, closed or unable to produce records to verify production.

In future directives, the Chairman of CITA may direct U.S. Customs to deny entry to textiles and textile products allegedly manufactured in companies found to be illegally transshipping, closed, or unable to produce records to verify production. CITA will publish such directives, including the names of such companies, in the **Federal Register**.

CITA has determined that these actions fall within the foreign affairs exception of the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,

Troy H. Cribb

Chairman, Committee for the Implementation of Textile Agreements

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COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Denying Entry to Textiles and Textile Products Allegedly Produced in Certain Companies in Macau

July 27, 1999.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Issuing a directive to the Commissioner of Customs directing Customs to deny entry to shipments allegedly manufactured in certain companies in Macau.

EFFECTIVE DATE: September 1, 1999.

FOR FURTHER INFORMATION CONTACT: Janet Heinzen, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212.

SUPPLEMENTARY INFORMATION:

Authority: Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 12475 of May 9, 1984, as amended.

The U.S. Customs Service has conducted on-site verification of textile and textile product production in a number of foreign countries. Based on information obtained through on-site verifications and from other sources, U.S. Customs has informed CITA that certain companies were illegally transshipping, were closed, or were unable to produce records to verify production. The Chairman of CITA has directed the U.S. Customs Service to issue regulations regarding the denial of entry of shipments from such companies (see related notice concerning regulations to prevent circumvention published elsewhere in this issue of the **Federal Register**). In order to secure compliance with U.S. law, including Section 204 and U.S. customs law, to carry out textile and textile product agreements, and to avoid circumvention of textile agreements, the Chairman of CITA is directing the U.S. Customs Service to deny entry to textiles and textile products allegedly manufactured by the companies listed in the attached directive; Customs has informed CITA that these companies were found to have been illegally